

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

SENATE ENROLLED ACT No. 523

AN ACT concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. [EFFECTIVE JULY 1, 2003] (a) **This SECTION applies to a member of the 1977 police officers' and firefighters' pension and disability fund (1977 fund) who:**

- (1) first became a member of the 1977 fund after December 31, 1993, and before October 1, 1996;**
- (2) was at least thirty-six (36) years of age at the time the member first became a member of the 1977 fund; and**
- (3) will not accrue twenty (20) years of service credit in the 1977 fund before the member reaches the mandatory retirement age established by the member's employer.**

(b) In addition to the service credit that a member earns through active service, before a member retires the member may purchase the additional amount of service credit needed for the member to retire with a full unreduced benefit by making contributions to the 1977 fund equal to the product of the following:

- (1) The salary of a first class patrolman or firefighter, whichever is applicable, at the time the member makes the contribution.**
- (2) Twenty-seven percent (27%).**
- (3) The number of years of service credit the member intends to purchase.**



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(c) The following apply to the purchase of service credit under this SECTION:

(1) The service credit allowed is limited to the amount necessary, when added to the member's active service, for the member to accrue twenty (20) years of service credit in the 1977 fund by the time the member reaches the mandatory retirement age established by the member's employer.

(2) The member may pay the amount determined in subsection (b) as:

(A) a lump sum; or

(B) a series of payments determined by the public employees' retirement fund (PERF) board, not to exceed five (5) annual payments, plus interest over the period of the payments at a rate determined by the actuary for the 1977 fund.

(3) A member may not use the service credit unless the member has made all payments required for the purchase of the service credit.

(4) To the extent permitted by IC 36-8-8-18, a member may use:

(A) a rollover distribution; or

(B) a trustee to trustee transfer;

to purchase service credit under this SECTION.

(d) If a member terminates employment before satisfying the eligibility requirements necessary to receive a monthly benefit under IC 36-8-8, the PERF board shall return the purchase amount, plus accumulated interest, in accordance with IC 36-8-8-8.

(e) A member's employer may adopt an ordinance to pay all or part of the member's contributions required for the purchase of service under this SECTION.

(f) This SECTION expires December 31, 2007.

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President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Approved: _____

Governor of the State of Indiana

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